

# Memo

To: Debra Moore  
Ray Wahl  
TCEs

From: Derek Byrne

Date: August 17, 2010

Re: Gift Certificate, Gift Card, Movie Pass, Etc. Purchases

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As discussed in the past TCE meeting, the following memo will detail the process to purchase gift certificates, gift cards, movie passes, and any other cash equivalent incentive awards for employees. Gift cards and other cash equivalent incentive awards cannot be purchased with a purchasing card. However, cash equivalent incentive awards can be purchased via an invoice and paid through a state warrant (check). In order to purchase these items please do the following:

1. Contact the business selling cash equivalent items to see if they will allow purchases via invoice.
2. If so, pay for the cash equivalent awards via invoice like any other payable. Object code 5155 should be used for all payments for purchases of cash equivalent incentive awards.
3. If the award is not specific to an individual, the award must be secured until ready for presentation to an employee.
4. A record of the number of cash equivalent awards and to whom the awards have been delivered should be maintained for audit purposes.
5. When an award is given to an employee, the value of the cash equivalent must be recorded on form FI 48 (Employee Reimbursement/Earnings Request Form), wage type 1128. Using this form will not increase the gross income, but will tax the incremental value of the award thus increasing taxes withheld from the paycheck for that pay period. The Employee Reimbursement through Payroll form is located in Section 17-04 of the Courts Accounting Manual.
6. Administrators should notify award recipients of the additional taxes that will be assessed through payroll.